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DEPARTMENT FOR EAP/RSP/TC, EAP/PA, EAP/PD - ROBERT PATITIADTNO

DEPARTMENT PASS AIT/WASHINGTON

E.O. 12958: N/A

TAGS: PREL KPAO TW
SUBJECT: "CHINA TIMES" INTERVIEWS RETIRING KMT CHAIRMAN

LIEN CHAN ON ARMS PROCUREMENT BILL

Summary: The centrist, pro-status quo Chinese-language "China Times" Wednesday carried an interview with KMT Chairman Lien Chan, who has announced he will step down from the leadership position he has held for five and a half years August 19. In the interview, Lien said the KMT would accept the U.S. arms procurement bill if the amount of money budgeted for the bill were appropriate. The U.S. arms procurement bill could be passed during the next legislative session, Lien added, if the ruling DPP government no longer creates any trouble for the KMT. A full-text translation of the article follows.

"[As Long As] the Ruler Does Not Cause Trouble, the U.S. Arms Procurement Bill Might Be Passed.

Journalists Chang Jing-wei, Wu Tien-jung, Lo Ru-lan, and Hsiao Hsu-tseng wrote on page four of the "China [circulation: 600,000] (8/3/05):

In an interview with China Times yesterday, KMT Chairman Lien Chan said for the first time would approve the U.S. arms procurement bill if the amount of money budgeted for the bill is appropriate. Lien added that part of the money designated in the bill should be included in Taiwan's annual budget, and the rest could be included in a special budget. Lien stressed that "as long as the DPP government does not cause any trouble," the U.S. arms procurement bill might be passed in the next legislative session.

Lien said the U.S. arms procurement bill proposed by the [Chen Shui-] Bian administration had already been proposed by the KMT while the KMT was the ruling party [of Taiwan]. Lien said, "We do not oppose the U.S. arms procurements. It is absurd for someone to claim we oppose [the bill], and even 33 members of the U.S. House of Representatives were mobilized to write to Lien said, frankly, before stepping down from his current post, that part of the reason for the obstruction of the U.S. arms procurements stems from the interaction between the government and the opposition party [i.e. the KMT].

Lien said whenever the KMT planned to discuss the U.S. arms procurement bill, the ruler created trouble,  $\,$ [although Lien does] not know whether the ruler has done this intentionally or not. In April 2005, when the KMT wanted to take action, the [DPP] government said it would press charges against KMT Vice Chairman P.K. Chiang for visiting China, and hence negotiations between the ruling party and the opposition parties in the Legislative Yuan "were out of question." "Why did [the DPP government] want to press charges against Chiang at that critical moment? Why has the government not done it so far?" Moreover, [Lien added,] the government said before the legislative elections that it wanted to change the KMT's party emblem, and claimed that the KMT had conducted a "soft coup." "Could we approve the bill under those circumstances?" [Lien

Lien also questioned the [Chen Shui-] Bian administration for failing to actively push for the passage of the U.S. arms procurement bill. He said appropriate defensive capabilities are necessary, and added when the KMT was in power, its policy was to establish appropriate defensive capabilities. But there have been several problems with the current U.S. arms procurement deal: U.S. President George W. Bush agreed to sell weapons in a large quantity to Taiwan in April 2001, but the DPP government has delayed it for three years without taking any action and has proposed a budget as late as seven days before the start of the legislative recess in early 2003; plus, the budget increased from NT\$280 billion to NT\$480 billion, and the government has not offered any explanation for why it is so.

Lien said the Legislative Yuan certainly could not have handled this bill seven days before its recess. The [Taiwan] presidential election came after that, and the government proposed another bill of NT\$680 billion [edit: figure two years ago was actually NT\$610.8 billion] afterwards. The Taiwan people do not understand why, either. That is why an Anti-U.S. Arms Procurement League was formed, but this league has nothing to do with the KMT.

Lien stressed that the numbers for U.S. arms procurements must be accurate in the future, and added that part of the money designated in the bill should be included in Taiwan's annual budget, and some could be included in a special budget. By doing so, the budget for the U.S. arms procurements will not surpass the annual budget's ceiling. Lien Chan said the U.S. arms procurement bill might be passed in the next legislative session, but he hopes that the [DPP] government will create no more trouble.

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